

## DIFFICULTIES OF CREATING LEARNING ORGANIZATIONS

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### ABSTRACT

Seeing the Lake Van monster<sup>2</sup> and talking about it can be very popular everywhere. People can also search about its origin, even if it is impossible. Like that, people can know by heart everything about learning organization. Even though they identify how to solve organizational problems with concept of learning organization, a lot of barriers, which is sourced from internal or external factors, may preclude implementation of the learning principles properly or another word ‘victory’. This research has tried to explain what kinds of factors cause to this problem through the concept of amnesia. Besides it will attempt finding reasons which cause to a total blank in the organization. Finally this study has emphasized the importance of the role of the leader and leadership with the others organizational concept like structure, organizational culture.

**Keywords:** Learning Organization, Organizational Culture, Dynamics of Amnesia

**JEL Classification:** D29

## ÖĞRENEN ORGANİZASYONLARI UYGULAMANIN GÜÇLÜKLERİ

### ÖZ

Bir ejderhayı veya Van Gölü canavarını görmek veya bunlar hakkında konuşmak popülerdir. Bu olguların kaynağını bulmak imkânsız da olsa insanlar araştırabilir. İnsanlar aynı bu husus gibi öğrenen organizasyonlar hakkında da ezbere pek çok şey konuşabilir. Öğrenen organizasyon kavramı sayesinde örgütsel problemlerin nasıl çözüleceği hakkında fikir sahibi olsalar da, öğrenen organizasyonların uygulaması hakkında içsel ve dışsal faktörlerden kaynaklanan pek çok engellerle karşılaşılır. Bu araştırma, söz konusu problemin neden kaynaklandığını hafıza kaybı kavramıyla açıklamaya çalışmaktadır. Ayrıca organizasyonlardaki bu eksikliğe neden olan sebepleri bulmaya çalışmaktadır. Son olarak bu çalışma lider, liderlik, örgüt kültürü gibi kavramlarının önemini ortaya koymaktadır.

**Anahtar Kelimeler:** Öğrenen Organizasyon, Örgüt Kültürü, Örgütün Dinamikleri

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<sup>2</sup> The **Lake Van Monster**, (Turkish: **Van Gölü Canavarı**) is a legendary creature that allegedly lives in Turkey.

## 1. Introduction

As a concept, learning organization has been around since as early as 1965. However it has attracted in the last decade as researchers seek to understand and develop theoretical models on how to increase organizational adaptiveness. Also it has attracted common attention as a mechanism for achieving sustainable competitive advantage. It is known that adaptation to the environment is never enough to last its life and reach organizational success for an organization. For example, when IBM bought Lotus for \$3.2 billion, it was estimated that the value of the R&D capability residing in the minds of Lotus's employees was worth \$1.84 billion or more than half of price (Bahra 2001:33). This shows how the knowledge has an importance on the value of companies. Even though conceptual history of the learning organization is too wide to comprehend, the principles of learning organization often are viewed as difficult to apply. In other words, there is a concern although importance of learning organization is quite capable of being psychologically wounded to amnesia. For example, the myriad of conceptualizations and definitions of organizational learning make it challenging to identify a comprehensive or unifying theory of organizational learning, design empirical research, understand the parameters for practice, know how best to intervene in any given situation, and know how to evaluate impact (Tsang, 1997:73:89).

It is clear that a learning organization with well-designed practice necessitates an integrating together of practice and theory on account of fact that organization needs to create and retain great value from core business competences. (Klasson, 1999: 7) But this requires more than just playing a simulation PC game. Designing and embedding of culture into organization are important than memorizing of the concept of learning organization.

## 2. Definition of the Learning Organization

The Learning Organization (LO) is based on the conception of the organization as a quasi-living organism that adapts to unstable environment by learning. Learning organizations consciously create structures and strategies so as to enhance and maximize knowledge of organization. Korgut and Zander (1992: 383-387) declare that knowledge of organization is socially constructed. Members of a learning organization interact to interpret and give meaning to data and information in process of developing knowledge.

Comprehension of a learning organization depends on learning style which members of the organization have. Argyris and Schon (1978: 5) concisely explain that there are two types of learning which take place in an organization. The first type, single-loop learning happens when an organization detects a problem and takes corrective action without taking any question or changes its present policy. The second one, double-loop learning happens when the error detection and correction involves a modification of the organization's essential norms, policies. Most of organizations have a tendency to the single loop learning. Although double loop learning

is used in too many organizations, it is not even effective to capture, store, and diffuse knowledge within the organizations. Therefore the research will try to tell another learning method, whose name is deutro-learning. Apart from advantage of a learning organization, the result of implementation of learning organization is organizational adaptation and value creation (Othman and Hashim, 2003)

### 3. A Total Blank in an Organization

Whatever people say about learning organizations as if they were an optimist, the research shows that organizations have a tendency to forget. Kransdorff (1998: 1-10) found that many companies repeat their blunders on a regular basis. For example, the lessons which were learnt earlier are not used to reduce the effort and the time which spend to solve repetitions of problems. Too many barriers prevent realizing learning organization in practice. The structural reasons to which cause do not carry out the learning organization:

**Organizational Structure:** Fiol & Syles (1985: 6) suggest that centralized structures block learning because a centralized, mechanistic structure tends to reinforce past behaviors, whereas an organic, more decentralized structure tends to allow shifts of beliefs and actions. Although Chinese, German, Israel companies found evidence of effective and long-term learning in centralized and hierarchical structures as well as in decentralized structures, attempts to change the structure without adjusting the culture and the leadership style will either lead to no enhancement in organizational learning, or actually impede processes of organizational learning (Antal, Wang, 2002, 5).

**Organizational Culture:** It is known that assumption underpinning an organization's culture act as a filter for perceiving and making sense of the information in the around the organization (Antal, Wang, 2002: 11). The mental models embedded in an organization affect politic, cultural and technological environment of the organization that can require the organizational to learn. However mental models always do not help an organization to change or to improve. They can also be a barrier understanding of components of the organization to that which makes sense within mental models. Besides, the norms in a culture for dealing with errors or failures influence the organizational orientation to learning. In organizations, controlling management style that have traditionally dealt punitively with employees who deviated from the organizational norm or overstepped the boundaries of their jobs. (Fleming and Sturdy, 2009: 569-583) That means, persuading employees that learning is pleasant will be difficult.

**Leadership:** Researches show that the connection between a leader and an organization has quantitative as well as qualitative. (Berthoin and et., 2001) It is clear that the behavior of the leader will be able to affect the development of the organization. In other words, a leader can prevent learning, when s/he behaves as though knowing is a greater virtue than learning, when s/he relegates the people to followership. A particularly important aspect of leadership for organizational learning is

that the entrenchment of the defensive routines can be reduced by the leaders. (Arygris, 1990: 4) That means these kinds of behaviors can enable people to protect themselves from threatening situations such as making mistake. According to Collins (2001: 66-70), leaders who have the courage and the humility to take responsibility for errors and problems, rather than to blame other people or other external factors, create a culture that supports learning and lays the groundwork for sustainable organizational success. All of them explain how the success of the organization can be collapsed without an efficient leader.

#### 4. A Different Perspective: Organizational Amnesia

Organizations may easily forget their knowledge they have learnt earlier easily as explain prior to this title in this research. Kransdorff (2001: 7) defines organizational amnesia as losing organizational memory. This definition reckons organizational amnesia as basically the failure from an organizations history. Kransdorff's research also cited that organizations keep on repeating their mistake and blunders for two reasons. The first is that an organization have either his memory or incapable of recalling their corporate history. The second matter is the inability to learn from lessons which the organization faces. According to Othman and Hashim (2003: 4), organizational amnesia is not the same as inability to learn, organizational dumbness. Organizational amnesia reflects a learning failure which cannot transform to the organizational level. In other words, the learning can be happen the individual level but not be able to move the organizational level.

There are two types of amnesia in the literature.

-Based Amnesia: Kransdorff (1998: 4) defines time-based amnesia that relates to the inability benefit from the history. One such example was the situation faced by the Halifax Building Society at the beginning of the real estate agency market in the UK 1989-90. When there was a downturn of the market, very few branch of the Halifax was ready to change to the market condition. Similarly, the company could not develop their marketing power in the event of the boom in the market. Tiwana (2000: 5-10) cites the case of the Ford Taurus development team. None of the engineers currently working on the project are able to discover why the car was a big success in the 1980's. Here is case of knowledge obtained from earlier experiences is lost in time.

Space-Based Amnesia: This organizational amnesia is related to the inability diffuse or move at lessons which learned at a point of the organization to other points in the organization. An event that best describes space-based organizational amnesia is the failure by the US military to respond the signals of an impending attack Japanese on Pearl-Harbour (Hughes-Wilson, 1998: 11-13)

*The United States intelligence services had managed to read the Japanese naval operation code and read Japanese intentions before the attack on the Pearl Harbour.*

*The Americans had followed their signals interception operation grows in a fragmented and uncoordinated way. The army and navy had their own intelligent service but there was no sharing information between each others. Although the ship's captain had provided just three days ago before the event of Pearl Harbour, any action was never taken. And the surprise attack, which could have been avoided, was realized because of fact that the warning could only reach just as attack started.*

*Information on the impending the Japanese attack was obtained at the different points in the organization. But, there was a problem to piece all this information and together and assess its implication. In this case, someone learned something about the threat, yet the organization did not learn fast enough and therefore was not able to respond to the coming threat.*

(Othman and Hashim, 2003)

Besides, it should be stated that the distinction between two amnesias is to require the different strategies to overcome them. Whereas time-based amnesia requires the creation of effective an organizational memory to overcome, space-based amnesia needs a careful examination of the process involved in diffusing knowledge in the organization (Othman and Hashim, 2003).

There are three main reasons to cause organization amnesia. Firstly, the learning organization process should be comprehended in order to understand causes of the amnesia. Crossan, Lane and White (1999: 5-8) explain that there is a framework which involves intuiting, interpreting, integrating, and institutionalizing.

According to the hyperdictionary (2004), intuiting is an ability to understand or know something immediately without needing to think about it, learn it or discover it by using reason. Intuition is a uniquely personal process at the individual process, which is affected by the cognitive map of the individual. The intuition which occurs in the learning should be shared with organization, and some part of common meaning should be attached to the organization (Othman and Hashim 2003).

That process, which enables attaching of the common meaning to the organization, involves interpretation. According to the writer, it tries to refine and develop intuitive perspective through a conversational process. The accuracy of the information which interprets enables the organization to survive on the rapid-change market. Actually interpretation is a social activity that takes places in the organization, especially at group level, refines common language and develops convergence of meaning.

Another process, integrating achieves combining knowledge which occurs through the development of shared action and information base. When members of the organizations realize successful actions by repeating and accepting as a regular process, this helps to the organization how to adapt to the problems (Othman and Hashim 2003: 5-8). It can say that integrating enables organization to have a learning link between the organization level and the group level.

The finally process, institutionalizing realise that the learning embed into structure, strategy, procedure and culture of the organizations (Cross, Lane and White 1999: 7). Institutionalizing ensures that the learning depends on individual effort transforms any level which is in the organizational phase.

The problem at the process of the implementation of the learning organization sources from any of the 4 stages. As Bahra (2001: 2) says, learning is a basically process of knowledge acquisition. When knowledge shares in the organization, it embeds not only in documents but also in organizational routines, process, practices and norms. Knowledge also has tacit and explicit elements. The sharing of the knowledge, which is called as 'acquisition', causes to lose the tacit elements. Although the knowledge becomes richer as it carries from individual learning i.e. intuition from organizational learning i.e. interpretation, the knowledge codified and loses its tacit and contextual elements. According to Szulanski (1997:33) the failure to transmit the tacit of the knowledge makes knowledge sticky. Sometimes another problem in the organizational amnesia, which causes to the error at the implementation of the learning organization, is the problems of deciding which knowledge needs to be captured and stored. Henderson argues (1997: 99-105) that the members of the organization encounter the problem which is sourced from misunderstanding of the casual relationship. Besides individuals and groups tend to ignore lessons that reflect badly on themselves and are also likely to attribute positive outcomes to their effort and negative ones to others (Kransdorff, 1998: 8)

### **5. How Can Organizations Overcome Upon This Problem?**

This parts of the research help identify the issues needing attention in a learning organization. As the research has told above parts, if the organization identifies two types of amnesia, they can find some explanation about how to overcome organizational amnesia. First of them, Kransdorff's work propose that a systematic effort to capture organizational history, the use of post-mortem and project review, oral debriefing etc. for time-based amnesia.

For space-based amnesia, Hargadon and Sutton (1997: 746-750) advice to organization embed social network theory that a unit's network position can affect learning and organization. These units that occupy a gap in the flow of information between subgroups in a larger network are better than innovating. This is because such units are able to transfer resources, including knowledge, between those needing it and having it according to Hanson and Sutton (1997: 1-5). As an example, the product innovation theory argues that close and frequent interaction between Research and Development team and other functional and operational units lead to better integration of knowledge across boundaries. On the other hand, most of learning organizations have been mention a literature about double-loop learning. But little attention has been given to deutro learning. Deutro-learning is important because it enable the organization superstitious learning and capturing storing knowledge from such learning detrimental to the organization.

Senior staff should recognize that they are not teachers but co-learners in the process of discovering how to draw the relevance out of the foreign knowledge to the new context (Pourdehnad and Smith A.C. 2012: 80). They should devalue the local knowledge rather than linking into it. Because unilateral impositions of external practices are apt to be resisted by those whose jobs are affected when they do not see the advantages of trying new ideas or when they feel unsafe doing so (Schein, Edgar, 1993: 87-90). Also the leaders at all level of the organization should seek out members of the organization willing to engage in change, “internal outsiders” who are often found in units or functions that seem to be outside the mainstream or on the periphery of the organization (Berthoin et. 2001)

In my opinion, if dynamic teams in an organization determine level of productivity, performance, organization leaders should encourage continual learning by sending teams members for relevant training courses to improve knowledge and competence as stated previous section. Training and improvement programs aimed at developing a broad knowledge base of employees should be supported with investment on absorptive capacity. However it is not enough to have success. Managers should also organize regular feedback and evaluation sessions. For example, trainees can give a presentation which includes brainstorming. Theses evaluation sessions can transform knowledge and experience from theory to practice.

Managers should also establish systems to capture and share learning. Today, firms use internet or intranet based systems to provide intra-communication. These enable interactive dispute environment. Connecting the organization to this environment helps to implement double loop and deutro learning methods.

While there has been a lot of talk about learning organizations it is very difficult to identify real-life examples. This might be because the vision is ‘too ideal’ or because it isn’t relevant to the requirements and dynamics of organizations. The focus on creating a template and upon the need to present it in a form that is commercially attractive to the consultants and writers has led to a significant underpowering of the theoretical framework for the learning organization. Here there is a distinct contrast with the study of learning organizations. Today decreasing this contrast can be easier than past with internet or intranet based systems. Finding true systems can create efficient interaction, transfer resources including knowledge and competence and reduce amnesia problem with effective communication.

## 6. Conclusion and Extensions for Future Research

When a learning organization puts into practice, maybe the most important problem is not to see internal structure chaos. These invisible factors bring about a decrease improvement impetus. Mostly, grasping these factors is more difficult than taking measures. It must be recognized that amnesia in the organization is more dangerous than an individual because it also exterminates the equilibrium of the organization, apart from precluding the speed of development. Therefore the staff i.e. senior ones should take into consideration the communication problem between re-

tailers, returners and staff of the organization as realize between members of the organization. Managers can also utilize from internet or intranet based systems to reduce chaos. Besides, managers should establish systems, which have a good feedback mechanism, to capture and share learning. Finally they should scrutinize the key elements in the organization structure that causes to this amnesia.

This research based on the amnesia and barrier problems in learning organizations. The research is limited because it tried to stay a line which realize between the members of the organization. This research could have added the returners, retailers etc. On the other hand it has decided to focus on space and time based amnesia concept theoretically. That is to say, although it has given some example from these days, it has not focused on how to solve this problem in details. When it mentioned about the factors that causes to the total blank in an organization, it could have explained the other dynamics in organization apart from leadership, organizational culture and organizational structure.

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